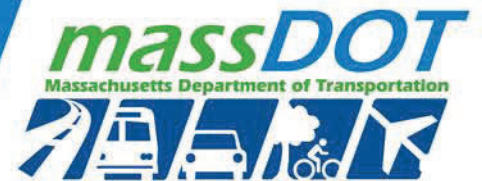


The Rose Fitzgerald Kennedy Greenway

A New Public-Private Partnership

Presentation to the MassDOT Board

June 19, 2017



Overview

- This presentation will brief the MassDOT Board on:
 1. The creation of a new, landmark **public-private partnership** to support the Rose F. Kennedy Greenway
 2. The vision for the Greenway with which MassDOT entered into the negotiations for the public-private partnership
 3. The first-ever financial commitments made to the Greenway by the City of Boston and the community of abutting property owners
 4. The reduced and redirected commitments made by MassDOT to the Greenway as part of the successful negotiations

MassDOT Vision for a New Public-Private Partnership

- That MassDOT would significantly reduce its annual operating subsidy to the Rose F. Kennedy Greenway Conservancy
✓ **Accomplished**
- That MassDOT would redirect its support for the Greenway to the care of its physical assets, which will need increasing attention over time
✓ **Accomplished**
- That, for the first time, the costs of managing and maintaining the Greenway would be shared by other beneficiaries of the Greenway
✓ **Accomplished**
- That the interests of MassDOT would be protected in case the public-private partnership does not deliver its anticipated benefits
✓ **Accomplished**

A New Public-Private Partnership

- In order to thrive, the Greenway needs the support and engagement of four partners:
 1. Community of Abutting Property Owners
 2. City of Boston
 3. Rose F. Kennedy Greenway Conservancy
 4. MassDOT

Abutters: A New Business Improvement District

- Representatives of 20 commercial properties have agreed to work through A Better City to organize a Business Improvement District dedicated to the Greenway
- Starting July 1st, ABC will lead efforts to expand the group to 40+ properties and then seek City Council approval to establish the BID
- Once established, the BID will provide \$1 million annually, effectively relieving MassDOT of 50% of its current subsidy
- Beginning in FY2020, the BID will also seek to fund an extra \$500,000 annually for additional enhancements to the Greenway
- If the BID fails to come together by July 2018, MassDOT has no ongoing obligations to provide operating subsidies to the Conservancy

Private Land-Owner Participation

✓ Accomplished

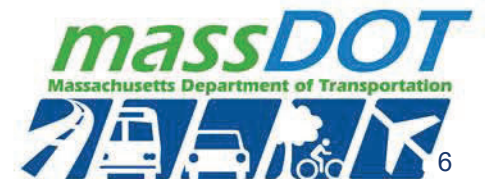


City of Boston: A New Greenway Support Fund

- The City of Boston has agreed to establish a municipal Greenway support fund, to be capitalized with \$5 million of the anticipated proceeds from the sale of the Winthrop Square garage site
 - Requires the successful sale of the Winthrop Square site
- The proposed Greenway support fund is anticipated to generate up to \$250,000 per year in income, all of which will be provided to the Conservancy to support operations, maintenance, and capital repairs
- Should the Winthrop Square sale not proceed, the City can contribute in-kind and other resources to support the Greenway in lieu of a cash contribution

City of Boston Participation

✓ **Accomplished**



Conservancy: A Stronger Partner

- The Conservancy has reaffirmed its responsibility to operate the Greenway as a 'world-class' public park for the term of the new 10-year lease
- The existence of the BID will not supersede or undermine the Conservancy's management of the Greenway as an open and welcoming public space
- The Conservancy will still run a balanced budget during the period of transition to the new public-private partnership, even with reduced MassDOT operating funds
- MassDOT and the Conservancy are together rearticulating the limitations of the use of MassDOT funding
 - Only operations, maintenance, and horticultural activities

A Strengthened Partnership with the Conservancy

✓ **Accomplished**



MassDOT: Continuing But Declining Operating Subsidy

- Six years of **reduced subsidy** for the basic operation, maintenance, and horticulture of the Greenway
 - FY2018 - \$1.25 million
\$500,000 advance to the Conservancy to bridge until BID establishment
 - FY2019 - \$1 million
\$500,000 credit to MassDOT 'repay' the 2018 bridge funds
 - FY2020 - \$750,000
 - FY2021 - \$750,000
 - FY2022 - \$750,000
 - FY2023 - \$750,000
- Continued annual in-kind support of \$300,000 for office space for the Conservancy and utilities on the Greenway

Reduced MassDOT Operating Support

✓ **Accomplished**



MassDOT: Smarter Investment in Our Assets

- Under the current agreements, MassDOT has an **open-ended** obligation to fund all Greenway capital repairs and maintenance over \$50,000
- No multi-year capital plan currently exists for the maintenance of Greenway assets, some of which are more than 20 years old
- Over the next six years, MassDOT will provide **escalating but capped** funding targeted to Greenway capital maintenance
 - Average of **up to** \$360,000 per year in capital support
- Capital funding will **only** be provided once a capital plan has been developed and approved by both MassDOT and the Commonwealth Executive Office of Administration & Finance

Increased Investment in MassDOT Assets

✓ **Accomplished**



A New Partnership

	<u>FY2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY2022</u>	<u>FY 2023</u>
Operations, Maintenance and Horticulture Support – Cash							
MassDOT *	\$2 million	\$1.25 million	\$1 million	\$750,000	\$750,000	\$750,000	\$750,000
City of Boston	0	0	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Abutters	0	0	\$1.5 million	\$1 million	\$1 million	\$1 million	\$1 million
Supplemental Operation and Enhancement Funds – Cash							
Abutters	0	0	0	\$500,000	\$500,000	\$500,000	\$500,000

* To be supplemented with in-kind support and capital funding, following development and approval of a capital plan

So, What's the Bottom Line for MassDOT?

- MassDOT will provide **reduced** operating funds for the support of the Rose F. Kennedy Greenway, with the reduction happening over time in order to allow the new partners to step in
- MassDOT will contribute to **approved** capital costs for Greenway assets, guided by the development of an approved capital plan
 - Ends MassDOT's open-ended obligation to capital costs
 - Supports goal of investing wisely in MassDOT assets
- MassDOT has no obligation to continue operational support for the Greenway beyond FY2018 if the Business Improvement District fails to contribute its anticipated \$1 million

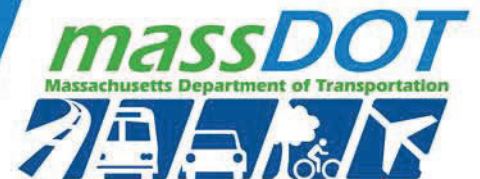
The Support and Engagement of Four Partners

✓ **Accomplished**



MassDOT and the Rose F. Kennedy Greenway A Brief History

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Recap of the History of the Greenway

- **1991: MEPA Certificate for the Central Artery/Tunnel Project**
 - Commonwealth and the City of Boston must work together to develop the newly-created space above the depressed Artery
- **2004: Rose Fitzgerald Kennedy Greenway Conservancy established**
 - A non-profit to guide and fundraise for the emerging Greenway
- **2007-8: Completion of the Greenway**
 - The Greenway opens with only stopgap funding in place
- **2008: Chapter 306 of the Acts of 2008**
 - Turnpike Authority required to lease the Greenway to the Conservancy
 - Commonwealth must provide 50% of operating costs (through June 30, 2012)
- **2015-2017: Current Lease (expires on June 30, 2017)**
 - \$2 million/year restricted to maintenance and horticulture tasks
 - Approximately \$300,000 in in-kind support for office space and utilities
 - A lasting public-private partnership must be established